

And it would be welcome to have Beijing's full cooperation for the many battles ahead. But as he meets Jiang Zemin in Shanghai, President Bush should be mindful that any future Chinese assistance in the war on terror can only be effective if China reverses the aid that it has given to a number of rogue states. For example, should Osama bin Laden or his allies obtain a nuclear weapon in the future, it is likely that many of its components will come via Pakistan or Iran, and could very well carry the stamp "Made in China." China's assistance to Pakistan's nuclear weapons program dates back to the mid-1970s and includes the training of engineers, provision of nuclear-fuel-reprocessing components, and perhaps even the plans to make nuclear weapons. China has sold Pakistan more than 30 of the 180-mile range M-11 ballistic missiles. China has also sold Pakistan the means to build solid-fuel 450-mile-range Shaheen-1 and 1,200-mile-range Shaheen-II missiles.

China has sold Iran nuclear-reactor and nuclear-fuel-reprocessing components and cruise missiles that could conceivably carry a small nuclear device.

For more than a decade the United States has been "engaging" Chinese officials in a repetitive pattern of U.S. complaints, Chinese denials and promises not to proliferate, occasional U.S. slap-on-the-wrist sanctions, but with no definitive cessation of Chinese proliferation. So far, Beijing is correct to question U.S. resolve. It took the Bush administration until August this year to impose some sanctions on Chinese companies selling Shaheen missile parts to Pakistan, a program that likely began early in the Clinton administration, which produced no Shaheen-related sanctions during its two terms.

This failure to stop Chinese proliferation helped fuel the nuclear missile race between India and Pakistan. And as the later weakens under pressure from radical pro-Taliban forces, the danger increases that nuclear weapon technology could fall into the hands of terrorist groups like bin Laden's. But rather than isolate radical Islamic regimes that harbor or aid terrorists, Beijing engages them, too. In recent months, China has been caught red handed helping Saddam Hussein to build new fiber-optic communications networks that will enable his missiles to better shoot down U.S. aircraft. Beginning in late 1998, according to some reports, after they gave Beijing some unexploded U.S. Tomahawk cruise missiles, the Taliban began receiving economic and military aid from China.

The more important subtext is that China engages these regimes because it shares their goal of cutting down U.S. power. And, incredibly, China may be attracted to using their methods as well. Bin Laden himself has a fan club in some quarters of China's People's Liberation Army (PLA). In their 1999 book "Unrestricted Warfare," two PLA political commissars offer praise for the tactics of bin Laden. They note that bin Laden's tactics are legitimate as the tactics that Gen. Norman Schwarzkopf used in the Persian Gulf war. Of bin Laden, they state that the "American military is inadequately prepared to deal with this type of enemy."

While some U.S. analysts downplay "Unrestricted Warfare" as written by officers with no operational authority, it is well known that the PLA is preparing to wage unconventional warfare, especially cyber warfare. Should China attack Taiwan, the PLA would want to shut down the U.S. air transport system.

The PLA now knows this can be done with four groups of terrorists, or perhaps by computer hackers that can enter the U.S. air traffic control system and cause four major airline collisions.

So to qualify as a U.S. ally in the war on terrorism, China must stop lying about its nuclear and missile technology proliferation and prevent states like Pakistan and Iran from fielding nuclear missiles. Also, China must end its economic and military commerce with regimes that assist terrorists, like the Taliban and Iraq. In addition, China must halt its preparations for a war against Taiwan, a war that will very likely involve U.S. forces.

In this regard, it is not time to end Tiananmen massacre sanctions on arms sales to China, such as allowing the sale of spare parts for U.S.-made Blackhawk helicopters. The administration is considering this move to reward China and to allow it to rescue U.S. pilots that may be downed over Afghanistan. China has plenty of good Russian helicopters to do that job, it makes no sense to revive military technology sales to China as it still prepares for war against Taiwan.

In his Sept. 20 speech, Mr. Bush correctly declared that "any nation that continues to harbor or support terrorism will be regarded by the United States as a hostile regime." China's aid to the Taliban and its continued nuclear proliferation are not friendly actions. The United States should press China to undo all it has done to strengthen the sources of terrorism.

DEPARTMENT OF TRANSPORTATION APPROPRIATIONS

Mr. STEVENS. Mr. President, on August 1, the Senate passed its version of H.R. 2299, the fiscal year 2002 Department of Transportation Appropriations Act. The Senate has not yet appointed conferees on this bill, which provides vitally needed funding for aviation, the Coast Guard, highways and rail programs.

A key issue of contention in that bill has been the standards and practices governing highway truck movement between our Nation and Mexico, under the provisions of the North American Free Trade Agreement.

Recently, discussion with the White House have produced a framework for compromise which I believe responds to the concerns for safety and equity voiced by many in the Senate and the other body, and I intend to support this compromise in the conference. It is my hope that the conferees on the bill will proceed along the lines of this proposal to strike a final agreement which will secure support in the Senate, and the signature of the President.

AMERICAN COMPANIES DOING BUSINESS IN COLOMBIA

Mr. LEAHY. Mr. President, yesterday, during consideration of the fiscal year 2002 foreign operations, export financing, and related programs appropriations bill, a colloquy between myself and Senator McConnell concerning American companies doing business in Colombia was printed in

the Record. That colloquy was incomplete, and should not have been included in the RECORD in that form. Among other things, it omitted a copy of an amendment that Senator McConnell and I had considered offering to the foreign operation bill. Therefore, I ask unanimous consent that our complete colloquy, a well as our proposed amendment, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. —

On page 144, line 3, after the colon insert the following: "Provided further, That of the funds appropriated under this heading for Colombia, \$10,000,000 shall not be obligated or expended until the Government of Colombia resolves outstanding international arbitration decisions which favor United States corporations more than 50 percent owned and controlled by United States citizens:"

Mr. LEAHY. Mr. President, we often hear from American companies whose investments in developing countries have gone sour. That is the risk of doing business, and nobody disputes that. But international arbitration was created in order to mitigate the risks of overseas investments and to avoid depending on shaky legal institutions in those countries. Arbitration has been one of the principal building blocks to the extraordinary growth in international trade. It has brought investments to countries which would have otherwise been considered too risky because it gives investors and sovereign nations an agreed-upon mechanism to resolve disputes. Key to its success is the agreement by all parties that arbitration can only work if it is binding.

It recently came to my and Senator McConnell's attention that at least two American companies, Sithe Energies, Inc., and Nortel Networks, have participated in binding arbitration to resolve disputes with the Colombian Government. According to information we have received, Sithe and Nortel, and, we are told, companies from Mexico and Germany, have won clear, unambiguous rulings through binding arbitration, only to have the Colombian Government renege on its commitment to honor the arbitration decision.

We have not had an opportunity to discuss these matters with the Colombian Government, but if our information is correct, that American companies have agreed to binding arbitration and prevailed, only to have the Colombian Government refuse to pay, that is unacceptable. We want to help Colombia's economy develop in an environment where the rule of law is respected. This is crucial to Colombia's future. If Colombia flaunts the rules of the private market, it is will have increasing difficulty attracting private investment because it cannot be trusted.

Representatives of these companies have urged us to withhold a portion of